

**OIL & GAS CONSERVATION DIVISION**  
**GOALS & OBJECTIVES FOR 2009 BIENNIUM<sup>1</sup>**  
Fiscal Years 2008 and 2009

**GOAL: Prevent waste and provide for the conservation of crude oil and natural gas through regulation of exploration and production.**

**Issue 800 drilling permits per year, conduct Montana Environmental Policy Act (MEPA) compliance review and prepare documentation for each requested permit.**

In 2006, 1046 drilling permits were issued, including 272 for oil, 496 for gas, and 271 for coal bed natural gas.

Drilling permit issuances decreased somewhat in 2006. 2006 gas well permits increased by 20 percent over 2005 levels (413); oil permits decreased slightly. Coal bed natural gas permits had the greatest decline (53 percent) over 2005 levels (577).

In the 09 biennium, it is anticipated that natural gas and oil will continue at or near current levels and CBNG permits will increase as individual well permits are approved in projects for which Environmental Reviews are currently being done.

**Identify non-conforming drilling permit requests that require approval by the Board of Oil and Gas Conservation (BOGC) and prepare MEPA compliance documentation for permits on non-federally supervised lands.**

146 non-conforming drilling exception locations were granted by the BOGC in 2006.

**Conduct public hearings (7 hearings and 300 applications per year) to promote conservation, prevent waste and protect correlative rights for oil and gas operations.**

Eight public hearings were held again in 2006. There were 516 applications for public hearing in 2006 and the BOGC issued 463 orders as a result of the public hearings.

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<sup>1</sup> Based on calendar year 2006 data

**GOAL: Maintain database and well files on approximately 38,000 oil and gas wells.**

**Review and approve or reject approximately 600 notices per year pertaining to well work-overs, re-completions, abandonments, etc.**

Over 6500 Sundry Notice requests for well work were reviewed and processed in 2006. This was approximately the same as 2005.

**Process new data on approximately 800 wells per year; and process 72,000 production reports per year.**

Information on 1047 new wells was added to the database in 2006. Production reports were received and processed on over 10,000 wells per month (120,000 per year). Interactive website continues to allow direct public access to well and production information.

**Approve approximately 100 new bonds per year.**

Staff maintained records on over 800 active bonds in 2006, which included processing 47 new and replacement bonds.

**GOAL: Establish and administer the Underground Injection Control Program delegated by the US Environmental Protection Agency (EPA) for the protection of groundwater through regulation of waste disposal and enhanced recovery injection wells.**

**Regulate the operations of 900 existing injection wells and issue approximately 30 to 50 new injection well permits per year; and conduct 1,000 well inspections and witness 280 pressure tests per year; and, maintain statistics and enforcement records per memorandum of understanding with the EPA.**

The BOGC continues to regulate approximately 900 active injection wells. In 2006, field staff witnessed 262 mechanical inspection tests and performed 244 regularly scheduled injection well inspections. Form 7520 was submitted timely to U.S. EPA outlining program results and statistics.

**GOAL: Operate a field inspection program to ensure compliance with BOGC rules, resolve complaints, and gather accurate field information for use by the board and staff in making decisions.**

**Conduct inspections on approximately 700 drilling wells, 2,100 producing wells, 300 plugged and abandoned wells, and 10 seismic exploration crews.**

BOGC field staff performed 4102 inspections in 2006, which represents an increase over 2005 inspection levels (3197). Inspections in 2006 included 1795 routine/periodic inspections of producing wells, 656 compliance inspections, 273 abandonment and well site reclamation inspections, 277 pit inspections, 154 drilling inspections, 49 complaint investigations, and 4 emergency responses.